



A-I Company Background

A-II Financial Information

A-III Health Care Industry Context

A-IV Impacts on Availability, Accessibility & Affordability

A-V Data Sources, Assumptions and Methodologies

Appendix A-V. Data Sources, Assumptions and Methodologies

Purpose of this Section

This appendix section provides additional data for the Findings Section from the Community Impact Analysis (V. Impacts on Availability, Accessibility and Affordability). It includes:

- **Sources** – Sources for data, quotes, and other facts are cited.
- **Assumptions** – Any assumptions used when gathering or processing data.
- **Methodologies** – The approach used when processing data and driving findings.

Organization of this Section

This appendix is organized in the following sections:

- A. Business Purpose and Foundations
- B. Competition
- C. Availability and Accessibility of Doctors and Hospitals
- D. Medical Management Policies and Practices
- E. Operations
- F. Products
- G. Pricing
- H. Governance
- I. Regulation

Linking this section with section V. of the Community Impact Analysis

The reader can cross reference the Community Impact Analysis by noting the superscript indices. For example this sentence from the community Impact Analysis:

“On a per capita basis, the PBO foundations, considered together across Maryland, Delaware and Washington, D.C. would be the largest ever created, based on the conversion of a Blues plan, in any state^{A.7}”...

...references item A.7 in this Appendix.

A. Business Purpose and Foundations

Index	Data Reference	Sources, Assumptions, Methodologies
A.1	• Non-profit plans in Washington, D.C. are required to offer Open Enrollment	<ul style="list-style-type: none"> • Sources: <ul style="list-style-type: none"> - West Group (dcode.westgroup.com), <i>District of Columbia Official Code §31-3514</i>, 2001 Edition
A.2	• CareFirst Open Enrollment Membership in the District of Columbia	<ul style="list-style-type: none"> • Sources: <ul style="list-style-type: none"> - CareFirst, enrollment data, December 2001 • Methodologies: <ul style="list-style-type: none"> - Open enrollment number given represents the number of members enrolled in open enrollment products in Washington, D.C. only
A.3	• CareFirst's exit from Medicare+Choice and Medicaid Risk	<ul style="list-style-type: none"> • Sources: <ul style="list-style-type: none"> - Accenture, interview with CareFirst executives, January 2002
A.4	• Health Plans exiting Medicare and Medicaid	<ul style="list-style-type: none"> • Sources: <ul style="list-style-type: none"> - Center for Health Care Strategies, Inc., <i>Transitioning Clients When Plans Exit Medicaid Managed Care Programs</i>, March 2001 - Managed Care On-Line (MCOL), <i>Medicare+Choice Plan Withdrawals</i>, July 25, 2000
A.5	• In Maryland, the Health care Foundation is statutorily created	<ul style="list-style-type: none"> • Sources: <ul style="list-style-type: none"> - Maryland General Assembly website (mlis.state.md.us), <i>Insurance code</i>, 2001 • Methodologies: <ul style="list-style-type: none"> - §6.5-301 States: <ul style="list-style-type: none"> > (a) The appropriate regulating entity shall approve an acquisition unless it finds the acquisition is not in the public interest. (b) An acquisition is not in the public interest unless appropriate steps have been taken to: (1) ensure that the value of public or charitable assets is safeguarded; (2) ensure that: (i) the fair value of the public or charitable assets of a nonprofit health service plan or a health maintenance organization will be distributed to the Maryland Health Care Foundation that was established in §20-502 of the Health- General Article... - §20-502 States: <ul style="list-style-type: none"> > There is a nonprofit Maryland Health Care Foundation established to promote public awareness of the need to provide more timely and cost-effective care for Marylanders without health insurance and to receive moneys that can be used to provide financial support to programs that expand access to health care services for uninsured Marylanders.
A.6	• Missions of Foundations Created from BCBS Conversions, possible mission of D.C. and DE foundations	<ul style="list-style-type: none"> • Sources: <ul style="list-style-type: none"> - Grant Makers in Health, <i>A Profile of New Health Foundations</i>, March 2001 - Health Plan press releases - Community Catalyst website - The Foundation Center website - Individual foundation websites • Assumptions: <ul style="list-style-type: none"> - Foundations created from the conversion of BCBS plans followed the <i>cy pres</i> doctrine, since all foundations resulting from converting Blues plans to date have health care as their sole mission. This is true even in states that lacked legislative requirements which dictated that foundation money must be spent on health care. - Grantmakers in Health describes the concept of the <i>cy pres</i> doctrine as follows: <ul style="list-style-type: none"> > "This trend [the transfer of assets from a non-profit foundation to another type of health organization] is supported by the <i>cy pres</i> doctrine, which supports an application of the assets to a mission as close as possible to that of the original nonprofit organization."
A.7	• Per Capita Analysis of Foundations Created by the	<ul style="list-style-type: none"> • Sources: <ul style="list-style-type: none"> - Grant Makers in Health, <i>A Profile of New Health Foundations</i>, March 2001

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